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IN THE
Supreme Court of the United States

OCTOBER TERM, 1982

CPG PRODUCTS CORP. and GENERAL MILLS FUN GROUP,
INC.,
Petitioners,
v.
ANTI-MONOPOLY, INC.,
Respondent.

Petition For A Writ Of Certiorari To The United
States Court Of Appeals For The Ninth Circuit

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QUESTIONS PRESENTED

1. Whether a celebrated and commercially successful registered trade-mark used to identify a unique product can be held, as a matter of law, to have become the "common descriptive name" of the product (and thereby lose its legal trade-mark rights) solely because a motivation survey indicates that a majority of the product's purchasers buy it because of a desire to have that product and not because of loyalty to its producer.

2. Whether Rule 52(a) of the Federal Rules of Civil Procedure permits a court of appeals to substitute its finding that a trade-mark is invalid as "generic" for the contrary finding of a district court if the district court's conclusion was based on its reasoned rejection of certain public opinion surveys and of expert testimony.

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v.

ANTI-MONOPOLY, INC.,
Respondent.

**Petition For A Writ Of Certiorari To The United
States Court Of Appeals For The Ninth Circuit**

CPG Products Corp. and General Mills Fun Group, Inc.,¹ hereby petition for the issuance of a writ of certiorari to review the decision and judgment of the Court of Appeals for the Ninth Circuit in *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, No. 81-4281, issued on August 26, 1982.

OPINIONS BELOW

The decision of the court of appeals (Pet. App. A, pp. 1a-19a, *infra*) is reported at 684 F.2d 1316. The decision of the district court (Pet. App. B, pp. 20a-33a, *infra*) is

¹ CPG Products Corp. is, by merger and change of name, the successor in interest of General Mills Fun Group, Inc., which was the appellee in the court of appeals, and is a subsidiary of General Mills, Inc. Parker Brothers is and has been, during the pendency of this action, an unincorporated division of General Mills Fun Group, Inc., and of CPG Products Corp. Throughout this petition, petitioner is referred to as "Parker Brothers."

reported at 515 F. Supp. 448. Earlier decisions of the court of appeals (Pet. App. C, pp. 34a-53a, *infra*) and of the district court (Pet. App. D, pp. 54a-64a, *infra*) are reported at 611 F.2d 296 and in 195 U.S.P.Q. 634.

JURISDICTION

The decision of the court of appeals was issued on August 26, 1982. On November 16, 1982, Justice Rehnquist granted a timely motion to extend the time within which to file a petition for a writ of certiorari to and including December 24, 1982 (Pet. App. E, p. 65a, *infra*). The jurisdiction of this Court rests on 28 U.S.C. § 1254(1).

STATUTE AND RULE INVOLVED

Sections 7(b), 14, 15, 33, and 45 of the Lanham Act, 15 U.S.C. § 1057(b), 1064, 1065, 1115, 1122, and 1127, and Rule 52(a) of the Federal Rules of Civil Procedure are reproduced in Appendix F, pp. 66a-71a, *infra*.

STATEMENT

A. Introduction

This is a widely celebrated case, involving an important decision on federal trade-mark law rendered with regard to an internationally known and registered mark.² The case concerns the validity of the trade-mark "MONOPOLY," which was registered with the Patent and Trade-mark Office in July 1935 and September 1936 by Parker Brothers, a manufacturer and distributor of games. The board game which has been marketed under that trade-

mark has become well-known in this country and throughout the world, with 24 million sets having been sold during the ten-year period which preceded trial of the case. Pet. App. D at 55a. The district court found that ever since the trademark was registered, Parker Brothers "has diligently and consistently promoted and policed" its mark and has not permitted anyone else to use it except under license or permission granted by Parker Brothers. *Id.*

Respondent is a California corporation whose president is Ralph Anspach, a teacher of economics who began in 1973 to market a board game which he had first titled "BUST THE TRUST." Anspach had little success in marketing his game under that name. Thereafter, respondent changed the name of its game to "ANTI-MONOPOLY: The 'Bust The Trust' Game." Under the new title, respondent sold approximately 419,000 games, grossing almost one million dollars by the time of the first trial in this case (Transcript of November 15, 1976, pp. 135-136). When Parker Brothers advised respondent in late 1973 that Parker viewed respondent's use of the name "MONOPOLY" in the title of respondent's game as an infringement of Parker Brothers' trade-mark, respondent filed a declaratory judgment action in the United States District Court for the Northern District of California requesting, *inter alia*, that Parker Brothers' "MONOPOLY" trade-mark be declared invalid.² Parker Brothers counterclaimed for trade-mark infringement

² The complaint also contained a claim requesting an injunction and damages on grounds of unfair competition and a claim for treble damages based on an antitrust theory. By mutual consent, these two claims were severed prior to trial. Summary judgment on the antitrust claims was entered for Parker Brothers by the district court,

and sought an injunction against respondent's future distribution and sale of its game with use of Parker Brothers' trade-mark.³

B. The First Trial

The case proceeded to a four-day trial in November 1976 before District Judge Spencer Williams.⁴ The undisputed evidence at trial established the initial assignment of rights to the game (including all potential patent, copyright and trade-mark rights) to Parker Brothers in the early 1930s, the registrations of the trademark "MONOPOLY" by Parker Brothers,⁵ the very substantial invest-

but the court of appeals reversed and remanded when it issued the decision which is the subject of this petition. *Anti-Monopoly, Inc. v. General Mills, Inc.*, 684 F.2d 1316 (9th Cir. 1982), Pet. App. A at 1a-19a.

³ Parker Brothers initially requested an accounting and damages as well, but waived those requests in June 1975 in connection with its request for a non-jury trial.

⁴ The judge to whom the case was initially assigned, Hon. Lloyd H. Burke, ruled on a number of pretrial matters between March 1974 (when the complaint was filed) and September 1976. At that time, following a colloquy with counsel for respondent and with Professor Anspach, Judge Burke recused himself, and the case was reassigned to Judge Williams.

⁵ On March 30, 1935 Parker Brothers registered the trade-mark "MONOPOLY" for use with a "board game played with movable pieces." That registration was amended in 1959 to relate to "equipment comprising a board and movable pieces for use in playing a real estate trading game." See Trade-mark 326,723, Appendix G, pp. 72a-73a, *infra*. On March 28, 1936, Parker Brothers applied for registration of the name "MONOPOLY" as used for "toy money and racks and tills suitable for holding same for use in the play of games." See Trade-Mark 338,834, Appendix H, p. 74a, *infra*. The registrations were renewed in 1955 and 1956 and in 1975 and 1976 pursuant to 15 U.S.C. § 1059.

ments Parker Brothers thereafter made in marketing the game so that it attracted national attention by the mid-1930s,⁶ and the diligent and consistent policing efforts Parker Brothers has made with regard to its trade-mark.

The trial court also heard evidence that respondent applied in December 1973 to register "ANTI-MONOPLY" as a trade-mark. Respondent did not then claim that the "MONOPOLY" trademark was generic. Respondent's application was rejected by the United States Patent and Trade-mark Office as confusingly similar to Parker Brothers' mark and respondent did not pursue its application any further. Proof was also introduced that "ANTI-MONOPOLY" was being marketed by retailers in physical proximity to "MONOPOLY" so as to capitalize on the popularity of Parker Brothers' game (Transcript of November 17, 1976, pp. 328, 362, 403-404).

C. The First District Court Decision

On April 4, 1977, Judge Williams issued an opinion and final judgment in favor of Parker Brothers. He found:

(1) Although the word "monopoly" was a "common word in the economic sense," its use in the 1930s as a name for a board game was "arbitrary and unique" and Parker Brothers was, therefore, entitled to trade-mark registration in 1935 and 1936. Pet. App. D at 57a-58a.

(2) The word "MONOPOLY" did not become a common descriptive name of the article after its trade-mark registration because it did not describe "all real estate

⁶ For example, the game was featured in unsolicited articles in *Fortune* and *Time* magazines as early as December 1935. *Monopoly*, *Fortune Magazine*, December 1935 at 40; *Monopoly and Politics*, *Time Magazine*, February 3, 1936 at 68.

trading board games" but only "a particular and very popular board game produced by a single company." Pet. App. D at 58a-59a.

(3) There had been no false statement or fraud in Parker Brothers' initial acquisition of a trademark. Pet. App. D at 59a.

(4) Confusion of source is likely because use of the entire "MONOPOLY" mark in the name of respondent's board game "gives rise to an inference that the game is a variation of the MONOPOLY game and is probably produced by the same company." Pet. App. D at 60a.

(5) Respondent had deliberately chosen "ANTI-MONOPOLY" as the name of its product to increase sales by capitalizing on the popular "MONOPOLY" name, and many retailers and their agents were actually confused and believed initially that Parker Brothers was the source of the "ANTI-MONOPOLY" game. Pet. App. D at 61a-62a.

On the basis of these findings, Judge Williams concluded that the "MONOPOLY" trademark was valid and had been infringed by the respondent. He therefore issued a permanent injunction against respondent's use of the mark "ANTI-MONOPOLY."

D. The First Court Of Appeals Decision

The Ninth Circuit reversed and remanded the case for further proceedings. The court of appeals held that the district court had misapplied "the genericness doctrine" in this case. The court interpreted that doctrine as meaning:

that when a trade-mark primarily denotes a product, not the product's producer, the trade-mark is lost.

Pet. App. C at 40a.

Relying heavily on its interpretation of this Court's decision in *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938) ("the *Shredded Wheat* case"), the court of appeals ruled that Parker Brothers' registered "MONOPOLY" trade-mark was valid only if the "primary significance" of the trademark was "source identification." Pet. App. C at 42. The court said:

If the primary significance of the trademark is to describe the type of product rather than the producer, the trade-mark has become a generic term and is no longer a valid trade-mark.

Pet. App. C at 45a.

In determining what "type of product" is involved in this case, the court of appeals cited the distinction between a "genus" (which it defined as "a broad classifying term") and a "species" (which it defined as "a specific sub-classifier"), and reasoned that a distinctive game such as "MONOPOLY" could be "its own genus," so that the mark by which it is known to the public would become generic and the owner would then lose its trade-mark rights. Pet. App. C at 42a.

The court of appeals held that the district court had erred in viewing the "genus" in this case as "all board games involving real estate trading" rather than as a unique game which constitutes its own "genus." Pet. App. C at 48a. In remanding the case for further proceedings in which the district court was to determine "*whether the primary significance of [the term 'MONOPOLY'] is to denote product, or source,*" (Pet. App. C at 49a (emphasis in original)) the court of appeals illustrated its point with the following contrasting hypotheticals:

It may be that when a customer enters a game store and asks for MONOPOLY, he means: "I would like Parker Brothers' version of a real estate trading

game, because I like Parker Brothers' products. Thus, I am not interested in board games made by Anti-Monopoly, or anyone other than Parker Brothers." On the other hand, the consumer may mean: "I want a 'Monopoly' game. Don't bother showing me Anti-Monopoly, or EASY MONEY, or backgammon. I am interested in playing the game of Monopoly. I don't much care who makes it."

Id.

E. The Second District Court Decision

Pursuant to the remand, District Judge Williams held two days of evidentiary hearings in July 1980, including testimony from experts on both sides. He also accepted additional documentary evidence and heard a half day of argument. He then concluded again that Parker Brothers' trade-mark was valid and had been infringed.

With respect to the 1935 and 1936 trade-mark applications, Judge Williams held that "MONOPOLY" was not generic at the time of its initial registration. He found that prior to 1935 there had only been "isolated and sporadic examples of individuals playing old oilcloth games" bearing names occasionally referred to as "Monopoly" or "Landlord's Game." The trial judge concluded that respondent had made no showing of the public's understanding of the term "MONOPOLY" in the 1930s or of how much the game was played prior to the trade-mark registration. On this basis, he rejected respondent's claim that the term "MONOPOLY" had been the common descriptive title of the game at the time of its trade-mark registration. Pet. App. B at 24a-25a.

The district judge also rejected the claim that the trade-mark "MONOPOLY" had become generic because of popular usage *after* its registration. He noted that a determination under the court of appeals' standard was particularly "difficult and delicate" when it concerns a

"single producer of a unique item." Pet. App. B at 27a. Judge Williams said:

Consumers purchase games because they wish to play the games they seek, yet this fact alone should not serve to invalidate an otherwise legitimate trade-mark. The makers of MONOPOLY should not be penalized simply because they have created a unique product which they have actively and diligently promoted.

Pet. App. B at 29a-30a.

The district judge noted that a trade-mark such as "MONOPOLY" may have dual usage, denoting both product and source. He then concluded that the public's understanding of the term "MONOPOLY" is:

to denote a "Parker Brothers' game" (i.e., source) in contradistinction to that "popular game of MONOPOLY" (product).

Pet. App. B at 30a.

Judge Williams accepted the results of a survey conducted by Parker Brothers modeled on one survey which had been approved in a case challenging the validity of the trade-mark "TEFLON."⁷ That survey established that 63 percent of the public recognized "MONOPOLY" to be the "brand name" of a product, and that 55 percent of the recognizing group named Parker Brothers as the producer of the "MONOPOLY" game.⁸ The district court rejected a "motivation" survey conducted by the respon-

⁷ *E.I. Dupont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502 (E.D.N.Y. 1975).

⁸ "MONOPOLY" was compared in the survey with 19 other famous trade-marks, including, for example, Tide, Lavis, Saville, Coke and Jell-O. "MONOPOLY" had greater "source recognition" than all but two of the others.

dent along the lines of the language in the Ninth Circuit's first decision. Pet. App. B at 27a. After sustaining Parker Brothers' challenges to the fairness of that survey, (Pet. App. B at 29a), Judge Williams added that he was rejecting the survey because of "other methodological deficiencies"—some of which were described in his opinion (*id.*, n.4, *infra*). He concluded that the dispositive issue is not "why consumers buy MONOPOLY sets" but "what is their understanding of the name MONOPOLY." Finding that the mark signifies a Parker Brothers game, Judge Williams determined that the trade-mark "MONOPOLY" had not become generic. He thereupon entered judgment for Parker Brothers, declaring that its trade-mark "is in all respects valid and enforceable," and reinstated his earlier injunction.

F. The Second Court Of Appeals Decision

The court of appeals again reversed Judge Williams. Purporting to apply the standard prescribed by Rule 52(a) of the Federal Rules of Civil Procedure, as recently invoked by this Court in *Pullman-Standard v. Swint*, 102 S.Ct. 1781 (1982), and in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 102 S.Ct. 2182 (1982), the Ninth Circuit vacated as "clearly erroneous" the district judge's finding that "MONOPOLY primarily denotes its producer, Parker Brothers, and primarily denoted its producer when registered."

The court of appeals did not question the results of Parker Brothers' survey, but it held that these results did not sustain the district court's finding. The court of appeals chose to rely instead on the "motivation" telephone survey commissioned by respondent which had inquired as to the reasons why purchasers buy "MONOPOLY." People who had bought the game or intended to buy it had been asked *why* they would do so. By adapta-

tion of the court of appeals' language, they were given a choice of two statements:

- (1) I want a "MONOPOLY" game primarily because I am interested in playing "MONOPOLY." I don't much care who makes it.
- (2) I would like Parker Brothers' "MONOPOLY" game primarily because I like Parker Brothers' products.

The court of appeals concluded that since 65 percent chose the first of these alternatives and only 32 percent chose the second, the district court had to conclude that the primary significance of "MONOPOLY" is product rather than source. On this ground, the court of appeals held that the word "MONOPOLY" had become generic and its trade-mark registration was no longer valid. Pet. App. A at 18a.

Parker Brothers had countered respondent's "motivation" survey with a parallel survey demonstrating that the laundry detergent "TIDE" was purchased by 68 percent of polled consumers not because of any source identification but because it was thought to have uniquely desirable qualities. The court of appeals rejected petitioner's argument that these results proved the fallacy of having the validity of a trade-mark depend on customers' stated reasons for purchasing the trade-marked product. Instead, the court of appeals suggested that in an appropriate case it might, by a parity of reasoning, declare Procter and Gamble's "TIDE" trade-mark invalid. Pet. App. A at 19a.

REASONS FOR GRANTING THE WRIT

The decision of the Ninth Circuit invalidates one of the best-known trade-marks in the United States on the basis of a novel approach to trade-mark law which conflicts with decisions in other circuits and with accepted principles that have governed trade-mark rights for the past half century. The court of appeals' reasoning rests on a misunderstanding of a landmark decision of this Court and on a misreading of leading opinions in the Second Circuit, including one written by Judge Learned Hand. The decision of the Ninth Circuit also conflicts with the language and policies of the Lanham Act of 1946, which is the statute that controls federal trade-mark law.

Unless this Court reviews this decision and clarifies the law, the opinion of the Ninth Circuit will sow chaos in the manufacture and merchandising of brand-name products affecting all spheres of life. Actual or potential competitors of many highly successful products that have become publicly identified by their brand names may henceforth pirate such brand names for their own benefit with impunity. If the pirates are then able to demonstrate with a "motivation" survey that consumers purchase the brand-name product primarily because of a desire to have that product and not because of who manufactures it, they will be able to prevail, under the novel standard prescribed by the court below, if they are ever sued for trade-mark infringement.

In addition, by overruling the considered judgment of a district judge who had weighed the proof presented to him, including expert testimony, the court of appeals exceeded the bounds set by Rule 52(a) of the Federal Rules of Civil Procedure. While acknowledging the "clearly erroneous" standard and this Court's very recent pronouncements on the limited role of appellate courts in

reviewing factual inferences and determinations made by district judges, the court of appeals actually exceeded its powers by substituting its own factual conclusions for those of the district court. This course was particularly impermissible when, as was true here, the district court had explicitly credited one line of expert testimony and had rejected another.

I

THE NINTH CIRCUIT'S DECISION RADICALLY ALTERS ESTABLISHED TRADE-MARK LAW IN A MANNER THAT HAS IMMEDIATE AND RECURRING PRACTICAL EFFECT ON THE MERCHANDISING OF GOODS IN THE UNITED STATES.

It has long been an accepted principle of trade-mark law that trade-marks serve a number of desirable and lawful functions.⁹ Departing from that principle, the court of appeals in this case has made the continued validity of many trade-marks depend entirely on whether a majority of the public says that it purchases the trade-marked product out of affection for the producer and not

⁹ See, e.g., 1 Gilson, *Trademark Protection and Practice*, § 1.03 (1976) (six primary functions); 3 R. Callmann, *The Law of Unfair Competition, Trademarks and Monopolies*, § 65 (3d ed. 1969) ("[t]he trade-mark may serve in several capacities, each unique unto itself"). See also, Rogers, *The Social Value of Trade-marks and Brands*, 37 Trade-Mark Rep. 249 (1947); Brown, *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 Yale L.J. 1165 (1948); Link, *The Social Significance of Trade-marks*, 38 Trade-Mark Rep. 622 (1948); Oppenheim, *The Public Interest in Legal Protection of Industrial and Intellectual Property*, 40 Trade-Mark Rep. 613 (1950); Backman, *The Role of Trademarks in Our Competitive Economy*, 58 Trade-Mark Rep. 219 (1968); Lunsford, *Consumers and Trademarks: The Function of Trademarks in the Marketplace*, 64 Trade-Mark Rep. 75 (1974).

because of a desire for the product. If an otherwise successful trade-mark has not implanted in the public's mind an overwhelming loyalty to a particular producer, the mark will, under the Ninth Circuit's rule, become invalid on the ground that it has become the common descriptive name of the product rather than an identification of its source.

The court of appeals' decision will have immediate consequences. The ruling has received substantial publicity in the popular press.¹⁰ It has caused consternation among owners of nationally known trade-marks because they fear that unethical exploiters of such trade-marks may now commission field surveys and, on receiving reports that more of the public identifies the mark with the product than with its manufacturer, begin to utilize previously protected trade-marks on the ground that they have become generic. Confusion and uncertainty will engender litigation, with enormous costs that will ultimately be borne by consumers.

The novel doctrine applied by the Ninth Circuit totally ignores the realities of a trade-mark's effect on the marketplace, as recognized by many perceptive commentators, including Justices of this Court. In *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942), Justice Frankfurter, speaking for the Court, set out the rationale for trade-mark protection in terms that conflict squarely with the reasoning of the Ninth Circuit:

The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is

¹⁰ See, e.g., *New York Times*, October 5, 1982; *Forbes Magazine*, October 25, 1982; *Atlanta Constitution*, September 3, 1982.

true that we live by symbols, it is no less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.

Justice Holmes similarly recognized that a trade-mark does more than merely identify a source. In sustaining the trade-mark claim made on behalf of Coca-Cola, he said for a unanimous Court in *Coca-Cola Co. v. Koke Co.*, 254 U.S. 143, 146 (1920) (emphasis added):

The name now characterizes a beverage to be had at almost any soda fountain. It means a single thing coming from a single source, and well known to the community. It hardly would be too much to say that the drink characterizes the name as much as the name the drink. In other words, Coca-Cola probably means to most persons the plaintiff's familiar product, to be had everywhere, rather than a compound of particular substances [W]e see no reason to doubt that . . . it has acquired a secondary meaning *in which, perhaps, the product is more emphasized than the producer*, but to which the producer is entitled.

And Judge Learned Hand, who wrote the seminal decision on the subject of genericness—*Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921)—declined to emphasize, as the Ninth Circuit now has, purchasers' motivations and loyalty to a particular source. Defining

the issue presented in the celebrated case which determined whether "ASPIRIN" was entitled to trade-mark protection, he said:

So here it might be that the name "Aspirin" in fact had come at once to describe the drug in question and also its origin from a single source. If it did, that would be enough to justify some protection, *since the identity of the source need not be known . . .*

. . . So here the question is whether the buyers merely understood that the word "Aspirin" meant this kind of drug, or whether it meant that and more than that; *i.e., that it came from the same single, though, if one please anonymous, source from which they had got it before.*

Id. at 509 (emphasis added).

The court of appeals ignored these respected judgments (as well as more recent expressions by less celebrated authorities¹¹) when it conditioned the continued validity of the "MONOPOLY" trade-mark on whether a majority of purchasers say that they would purchase the

¹¹ See *e.g.*, *Dan Robbins & Associates, Inc. v. Questor Corp.*, 599 F.2d 1009, 1014 (C.C.P.A. 1979), ("It is enough that purchasers can rely on a mark to distinguish products emanating from different sources, and a mark need not identify a specific source"); *Feathercombs, Inc. v. Solo Products Corp.*, 306 F.2d 251, 255 (2d Cir. 1962) ("we are not to be construed as saying that it is necessary that purchasers actually know the name of the manufacturer"); *Tas-T-Nut Co. v. Variety Nut & Date Co.*, 245 F.2d 3, 7 (6th Cir. 1957); 3 R. Callmann, *Unfair Competition and Trademarks*, § 84.1 at 1628 (2d ed. 1950). See also *Siegel v. Chicken Delight, Inc.*, 448 F.2d 43, 48 (9th Cir. 1971), *cert. denied*, 405 U.S. 955 (1972) ("[t]he historical conception of a trade-mark as a strict emblem of source of the product to which it attaches has largely been abandoned. The burgeoning business of franchising has made trade-mark licensing a widespread commercial practice and has resulted in the development of a new rationale for trade-marks as representations of product quality.")

game "primarily because I like Parker Brothers' products."

That test—whether the purchaser professes to be primarily motivated by loyalty to a particular producer rather than by a desire for a unique product which the trade-mark identifies—immediately jeopardizes many of the most successful marks on consumer products.

How many purchasers of "PAC-MAN" games would specify loyalty to the publicly unknown manufacturer of the game in which a traveling open-mouthed sphere gobbles up little dots, other hungry creatures, and "power pills?" How many buyers of "E.T." products would explain their purchasing decision as based on fondness for Universal City Studios, Inc., rather than for a replica of a gnome-like creature with large sad eyes and a pug nose?¹² These are just two very recently developed brand-names which have achieved great commercial success as a result of the investment of substantial resources. By the Ninth Circuit's novel standards, both would readily be found "generic," and their popular names could freely be pirated by any exploiter willing to enter into the market.

Parker Brothers' "TIDE" survey, and the court of appeals' reaction to it, demonstrate that other established trade-marks are in real jeopardy. If 65 percent of those questioned in a survey were to respond that they purchase "TRIDENT" sugarless gum because it is the chewing gum that prevents cavities, or if a similar percent say they eat "WHEATIES" because it is the breakfast cereal endorsed by champion athletes, even if much

¹² Appendix I at 76a-77a, *infra*, consists of copies of recent newspaper advertisements for "E.T." dolls and other products, with obvious indications of efforts to protect the registered trade-mark. If the Ninth Circuit's analysis is correct, these efforts are futile.

of the public also identifies either name with Warner-Lambert Company or with General Mills, the Ninth Circuit's decision requires the invalidation of those well-known trade-marks.

II

THE NINTH CIRCUIT'S DECISION MISREADS AND MISAPPLIES A LANDMARK PRECEDENT OF THIS COURT AND CONFLICTS WITH DECISIONS IN OTHER CIRCUITS

A. *This Court's Precedent.*—The court of appeals relied, in its first opinion, on this Court's celebrated *Shredded Wheat* decision in announcing the rule that "MONOPOLY" may continue to be a valid trademark only if its " 'primary significance . . . in the minds of the consuming public is not the product but the producer.' " Pet. App. C at 42a (quoting from *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118 (1938)). The court of appeals extracted this standard as the essence of "the genericness doctrine" which, it said, "has undergone little change since the *Shredded Wheat* case." *Id.*

This analysis significantly misapplied and misunderstood this Court's decision in the *Shredded Wheat* case. It was undisputed in that case (1) that the words "shredded wheat" had been "generic" because they described the product "with a fair degree of accuracy," (2) that "shredded wheat" was the name by which the particular breakfast food was "generally known by the public," (3) that there had been no effort for many years to use the words as a trade-mark, and (4) that one attempted registration of such a mark had been refused and the refusal upheld on judicial review. 305 U.S. at 116-17. The principal claim made by the plaintiff was that the words "shredded wheat"—concededly generic—had acquired a "secondary meaning" by which the public associated any product

bearing that designation with the National Biscuit Company. In considering that argument, Justice Brandeis said that the National Biscuit Company could prevail only if it showed "that the primary significance of the term in the minds of the consuming public is not the product but the producer." 305 U.S. at 118.

The *Shredded Wheat* case held only that when a producer claims that a common descriptive term has become so paired in the public's mind with his own name that no one else may use it, he must establish that when the public uses or hears the term, it thinks of the term as a trade-mark, rather than as a generic term. But that is a far cry from saying, as the court of appeals did here, that a non-generic mark heretofore utilized only by a single producer and properly registered as a trade-mark by that producer remains valid only if the producer demonstrates that the public thinks of a corporate name when it hears or uses that distinctive word. This case would be analogous to *Shredded Wheat* only if the trade-mark at issue were "A REAL ESTATE TRADING GAME," and Parker Brothers claimed that the public associated these descriptive non-proprietary words *only* with Parker Brothers. Justice Brandeis' test in the *Shredded Wheat* case does *not* apply, however, to the distinctive use of the word "MONOPOLY," which has been a registered trade-mark since 1935 for the merchandising of a distinctive game.¹³

¹³ For this reason, the court of appeals' decision is not supported by the district court ruling in *Selchow & Righter Co. v. Western Printing & Lithographing Co.*, 47 F. Supp. 322 (E.D.Wis. 1942), *aff'd*, 142 F.2d 707 (7th Cir.), *cert. denied*, 323 U.S. 735 (1944), in which the name "Parcheesi" or "Pachisi" was held to be an invalid trade-mark

B. *Decisions in Other Federal Circuits*—The Ninth Circuit's decision also conflicts with the rulings of other federal courts which have considered similar trade-mark issues. In *Standard Brands, Inc. v. Smidler*, 151 F.2d 34 (2d Cir. 1945), for example, the validity of the "V-8" trade-mark as used on a vegetable-juice drink was at issue. The Second Circuit held that the trade-mark "has become associated in the public mind as the banner of that product," and it was irrelevant that there had been no finding "that the trade-mark in suit was commonly known to be the plaintiff's mark." 151 F.2d at 36, 37.

Applying similar reasoning, the Court of Customs and Patent Appeals rejected, in *Dan Robbins & Associates, Inc. v. Questor Corp.*, 599 F.2d 1009, 1014 (C.C.P.A. 1979), a genericness challenge to the trade-mark "TINKERTOY" which was said, on grounds paralleling those accepted by the Ninth Circuit, to have become a generic label for a particular kind of construction toy. The court said, "It is enough that purchasers can rely on a mark to distinguish products emanating from different sources, and a mark need not identify a specific source."¹⁴

as applied to a traditional Hindi game. The court found that "for many years" before its initial registration under that name in the United States, the game had been played in India under the name "Pachisi" and was "often referred to as the national game of India." 47 F. Supp. at 324.

¹⁴ The same point was recently made in a persuasive concurring opinion by Judge Nies of the Court of Customs and Patent Appeals, in *In re DC Comics*, 24 Pat., Trademark & Copyright J. (BNA) 572, 574 (October 7, 1982). In the course of a thorough discussion, Judge Nies said, "The reason the public is motivated to buy the product, whether because of quality, particular features, source, pleasing design, association with other goods, price, durability, taste, or prestige of ownership, is of concern to market researchers but is legally immaterial to the issue of whether a particular designation is generic."

Other federal decisions have upheld trademarks which are substantially more susceptible to genericness challenge than the word "monopoly" as applied to a board game. See, e.g., *Salton, Inc. v. Cornwall Corp.*, 477 F. Supp. 975 (D.N.J. 1979) ("HOTRAY"); *Coca-Cola Co. v. Seven-Up Co.*, 497 F.2d 1351 (C.C.P.A. 1974) ("THE UNCOLA"); *In re Beaunit Mills, Inc.*, 274 F.2d 436 (C.C.P.A. 1959) ("BEMBERG"); *Dictaphone Corp. v. Dictamatic Corp.*, 199 U.S.P.Q. (BNA) 437 (D. Ore. 1978) ("DICTAPHONE"); *Stix Prods., Inc. v. United Merchants & Mfrs., Inc.*, 295 F. Supp. 479 (S.D.N.Y. 1968) ("CON-TACT"); *Marks v. Polaroid Corp.*, 129 F. Supp. 243, 270 (D. Mass. 1955), *aff'd*, 237 F.2d 428 (1st Cir. 1956), *cert. denied*, 352 U.S. 1005 (1957) ("POLAROID") ("[O]ne would have to be blind to deny that there has been a widespread generic use of the word 'polaroid.'"); *Q-Tips, Inc. v. Johnson & Johnson*, 108 F. Supp. 845, 863 (D.N.J. 1952), *aff'd*, 206 F.2d 144 (3d Cir.), *cert. denied*, 346 U.S. 867 (1953) ("Q-TIPS") ("Instances of use of the word 'Q-Tips' in a generic sense, while evidentiary, do not of themselves necessarily establish that the buyers' understanding is that it is the name of a kind of goods sold."); cf. *Walgreen Drug Stores, Inc. v. Obeart-Nester Glass Co.*, 113 F.2d 956, 959 (8th Cir.), *cert. denied*, 311 U.S. 708 (1940) ("PYREX") ("known throughout the country almost as a household word indicative of the products made of a particular kind of heat-resisting glass"); *Keebler Weyl Baking Co. v. J. S. Ivins' Son, Inc.*, 7 F. Supp. 211 (E.D.Pa. 1934) ("CLUB CRACKERS").

The Ninth Circuit misread the three leading opinions in which well-known trade-marks were found to be invalid as generic. In *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921); *DuPont Cellophane Co. v. Waxed Products Co.*, 85 F.2d 75 (2d Cir.), *cert. denied*, 299 U.S. 601 (1936); and *King-Seeley Thermos Co. v. Aladdin*

Industries, Inc., 321 F.2d 577 (2d Cir. 1963), courts held that the marks "ASPIRIN," "CELLOPHANE," and "THERMOS," respectively, had become generic. The court of appeals cited and relied on these decisions while ignoring the critical and dispositive elements which distinguish them from this case and which demonstrate that the standard applied by the Ninth Circuit conflicts with that applied by the Second Circuit in these leading decisions.

First, in all three cases, the owners of the trade-marks had not adequately policed use of the names to preserve their non-generic quality, but had used them descriptively in promotional and other literature in order to increase their popularity. *See* 272 F. at 510-512; 85 F.2d at 78-80; 321 F.2d at 578.

Second, in none of these three leading cases did the trade-mark which was found to be generic signify a product which, at the time of the litigation, emanated from a single source. Each of the products involved in the three cited cases was being produced and sold by more than one manufacturer. The issue for the court in each instance was whether one producer, who had for a period of time held a patent on the product, could have the exclusive right to use a mark which had become identified in the public's mind with the very same product that was sold by his competitors.

In the present case, there is no other producer or distributor of the game which the public knows as "MONOPOLY." Even if that mark is insufficiently associated in the public mind with the entity known as Parker Brothers, it has heretofore defined a unique product which has not been available from any other source.

The Ninth Circuit's decision misapplies the "ASPIRIN," "CELLOPHANE," and "THERMOS" cases to a

situation where a trade-mark continues to serve a dual function by identifying both a unique product and the source of that product. The Ninth Circuit's fundamental error was in assuming that the source-identification and product-identification functions must be viewed as mutually exclusive alternatives, and that a trade-mark may survive only if purchasers rely on the trade-mark to identify the source rather than to identify the unique product. See Swann, *The Validity of Dual Functioning Trademarks: Genericism Tested by Consumer Understanding Rather Than by Consumer Use*, 69 Trade-Mark Rep. 357 (1979).

Finally, the Ninth Circuit engrafted onto the "ASPIRIN," "CELLOPHANE," and "THERMOS" cases a totally new concept that was not suggested by any of the three opinions—i.e., the "motivation" of purchasers of the trade-marked product. Judge Williams was plainly right when he said:

The dispositive issue hence is *not* why consumers buy MONOPOLY sets, but rather, what is their *understanding* of the name MONOPOLY?

Pet. App. B at 30a (emphasis in original).

The question of consumer "understanding" is what judges of the Second Circuit looked to in the three leading cases. In substituting "motivation" for "understanding," the Ninth Circuit has established a standard that conflicts with the standard applied in the Second Circuit.

III

THE NINTH CIRCUIT'S DECISION CONFLICTS WITH THE LANGUAGE AND POLICIES OF THE GOVERNING FEDERAL STATUTE.

The current federal trade-mark law is the Lanham Act of 1946, 15 U.S.C. §§ 1051-1127, which was passed after extensive legislative debate to replace the statute initial-

ly enacted in 1881 (21 Stat. 502) and amended in 1905, 1906 and 1920. 33 Stat. 924; 34 Stat. 168; 41 Stat. 523. Many principles of trade-mark law evolved prior to the passage of the Lanham Act, but the Congress that approved the 1946 law dealt specifically with a large number of trade-mark issues. The question decided by the court of appeals in this case—*i.e.*, under what circumstances the owner of a registered trade-mark should lose his rights on the ground that the mark has become generic—was discussed by Congress, and language was carefully selected to provide for that contingency. The decision of the Ninth Circuit is not supported by the language Congress chose and conflicts with the policies which Congress sought to implement.

The Lanham Act does not use the word “generic”—even though amendments which would have inserted it were proposed during the Congressional hearings. *See, e.g., Trade-Marks: Hearings on S. 895 Before a Subcomm. of the Senate Comm. on Patents, 77th Cong., 2d Sess. 43 (1942); Trade-Marks: Hearings on H.R. 82 Before a Subcomm. of the Senate Comm. on Patents, 78th Cong., 2d Sess. 103 (1944).* Instead, Section 14(c) of the Act, 15 U.S.C. § 1064(c), authorizes cancellation of a trade-mark registration “at any time if the registered mark becomes the common descriptive name of an article or substance.” Whether a mark is a “common descriptive name” does not depend on the Ninth Circuit’s test of why purchasers buy the product. Pet. App. A at 18a. A trade-mark such as “MONOPOLY” denotes a unique product and is, therefore, not a “common descriptive name” irrespective of whether purchasers express loyalty to the trade-mark owner.

Indeed, the Lanham Act’s definition of a “trademark” itself refutes the Ninth Circuit’s rationale. The 1946 law defines “trademark” as “any word, name, symbol or device or any combination thereof adopted and used by a

manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others." 15 U.S.C. § 1127. The Act thus recognizes that a principal function of a trade-mark is to identify and distinguish among *goods*, and that it no longer has the exclusive purpose of identifying the particular *source* of manufactured goods.

The Department of Justice objected to the Lanham Act precisely because it did not approve of that change. The Assistant Attorney General's Memorandum, reprinted in the Hearings of the Senate Committee on Patents,¹⁵ stated:

The objections to H.R. 82, the trade-mark bill, discussed in the attached memorandum may be summarized as follows:

1. The bill changes the basic concept on which the trade-mark protection has been granted. This change is from protection of the mark as an indication of the origin of a product to that of protecting an exclusive right in the name of the product itself. . . .

The Justice Department's oral testimony was to the same effect. The Senate subcommittee was told that "a starting point for the bill, is the assumption that a trade-mark or designation of goods does not indicate origin—that is the producer or seller of the goods—but carries with it a designation of the goods itself."¹⁶

Moreover, the Lanham Act's "incontestability" provision was designed to limit legal challenges of the kind made here by respondent. The Act provides that a certificate of trade-mark registration "shall be *prima facie* evidence of the validity of the registration, registrant's ownership of the mark, and of registrant's exclusive right to

¹⁵ *Trade-Marks: Hearings on H.R. 82 Before a Subcomm. of the Senate Comm. on Patents, 78th Cong., 2d Sess. 58 (1944).*

¹⁶ *Id.* at 71.

use the mark in commerce." 15 U.S.C. §§ 1057(b), 1115(a). The Act further provides that after five years of continuous use and registration, a mark which is not a "common descriptive name of any article or substance" is to be incontestable. 15 U.S.C. § 1065.

The legislative history of this provision indicates that it was designed to protect holders of registered trademarks who had neither deliberately nor negligently abandoned their marks against legal challenges based on public perceptions alone.

During Congressional hearings prior to passage of the 1946 Act, the then-chairman of the Trademark Committee of the American Bar Association's Section of Patents, Trademark and Copyright explained to Congress that "whether or not . . . a mark becomes generic . . . depends wholly upon what the trade-mark owner himself has done or failed to do." *Trade-Marks: Hearings on S.895 Before a Subcomm. of the Senate Comm. on Patents*, 77th Cong., 2d Sess. 45 (1942). See also *Trade-Marks: Hearings on H.R. 82 Before the House Comm. on Patents*, 78th Cong., 1st Sess. 26-29 (1943).¹⁷ The "ASPIRIN" and "CELLOPHANE" cases were specifically discussed in the Congressional hearings, and the consensus that emerges from the hearings is that Congress intended to have the principle of those decisions apply only when the

¹⁷ The statutory authority to cancel a registered trade-mark "at any time if the registered mark becomes the common descriptive name of an article or substance" (15 U.S.C. § 1064(c)) was inserted, with no discussion, in conference just before the bill received its final approval. See *Registration and Protection of Trade-Marks: Hearings on S. 2540 Before a Subcomm. of the Senate Comm. of the Judiciary*, 83rd Cong., 2d Sess. 41, 56 (1954). This provision may have been thought to specify only a particular form of abandonment of trade-mark rights. There is no indication that it was intended to reach a totally blameless owner of a registered trade-mark.

trademark owner's acts of omission or commission caused his mark to become "the common descriptive name" of the product he was marketing. Congress surely did not authorize the invalidation of a trade-mark whose owner had been vigilant, as Parker Brothers indisputably was, in policing, and where the only alleged deficiency of the mark is that it is more clearly identified in the public's mind with a unique product than with its producer.

IV

THE NINTH CIRCUIT'S DECISION EXCEEDS THE AUTHORITY GIVEN TO AN APPELLATE COURT BY THE FEDERAL RULES OF CIVIL PROCEDURE.

The court of appeals has now twice overruled findings made by District Judge Williams after evidentiary hearings. On the first occasion, the court of appeals remanded for possible consideration of additional proof and application of a legal standard set out in its first opinion. On the second occasion, the court of appeals overturned the district judge's determination that the "MONOPOLY" trade-mark had not become generic and substituted for that conclusion its own diametrically opposite finding.

The court below cited and acknowledged Rule 52(a) of the Federal Rules of Civil Procedure, which states that "[f]indings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses." It also dutifully noted this Court's very recent decisions in *Pullman-Standard v. Swint*, 102 S.Ct. 1781 (1982), and in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 102 S.Ct. 2182 (1982), enforcing Rule 52(a). But the only obedience the court of appeals paid to these controlling rules of law was lip service.

The district judge's careful opinion (Pet. App. B at 20a-33a, *infra*) exhibited the reliance he placed on sever-

al evidentiary considerations in reaching his factual conclusion that the "MONOPOLY" mark "primarily denotes its producer, Parker Brothers." Pet. App. B at 31a. He credited a "brand name" survey submitted by Parker Brothers, which was modeled on a survey approved in *E. I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502 (E.D.N.Y. 1975) (the "TEFLON" case). That survey established that 63 percent of the public recognized "MONOPOLY" as a "brand name" and that 55 percent of that group identified Parker Brothers as its producer.

The court of appeals rejected this survey in its entirety, asserting that it "tells us nothing at all about the *primary* meaning of MONOPOLY in the minds of consumers." Pet. App. A at 13a. The court of appeals also dismissed the testimonial conclusion of Parker Brothers' expert witness that the trade-mark primarily denoted the producer of the game, citing its view of what "became clear" as a result of the witness' cross-examination and redirect examination. *Id.*

When it turned to respondent's "motivation" survey, the court of appeals went even farther in overriding the district judge's appraisal of expert testimony. Judge Williams had rejected the respondent's survey on a number of grounds relating to its methodology (Pet. App. B at 28a), and the court of appeals, in an elaborate discussion, proceeded to disagree with various of his criticisms for its own subjective reasons.¹⁸

¹⁸ On one matter—Parker Brothers' assertion that the introductory question of the motivation survey unfairly prejudiced later responses—the court of appeals said, "[I]t has no inherent plausibility." On a similar question, the court said that it had no reason "to suspect the exercise of judgment." It also ruled that the categories to which responses had been assigned "strike us as reasonable ones." Pet. App. A at 16a. These are all conclusions that are appropriately drawn by the finder of fact who has heard the experts.

This substitution of the court of appeals' view of the facts for that of the district judge was a patent violation of the limiting standard prescribed by Rule 52(a). This Court observed in its *Inwood Laboratories* opinion that the standard of Rule 52(a) "rests upon the unique opportunity afforded the trial court judge to evaluate the credibility of witnesses and to weigh the evidence." 102 S.Ct. at 2189. The Court insisted that "[d]etermining the weight and credibility of the evidence is the special province of the trier of fact." *Id.* Evidence like the surveys presented by both sides here must be sponsored by expert witnesses. Federal Rule of Evidence 703; *Baumholser v. Amax Coal Co.*, 630 F.2d 550, 552 (7th Cir. 1980). Such witnesses must explain the design, execution and proper interpretation of their surveys and must establish that the surveys conform to prevailing professional standards. In this case, four experts—two on each side—took the witness stand. Evaluation of their weight and probity is a classic issue of fact. As the Third Circuit noted in *Grotrian, Helfferich, Schulz, Etc. v. Steinway & Sons*, 523 F.2d 1331, 1341 (2d Cir. 1975): "The weight to be given to [certain surveys] was for the district court as the trier of the facts to determine."

The Ninth Circuit's reversal of the district court was, therefore, a plain violation of the standard of Rule 52(a). This Court should review this case to clarify, as it began to do last Term, the limitations set by the Rule on the authority of courts of appeal. Alternatively, if the Court concludes that the *Pullman-Standard* and *Inwood Laboratories* rulings provide adequate guidelines for future cases without subjecting the Rule 52(a) question to further plenary consideration, the Court should grant certiorari in this case and summarily reverse the judgment of the court of appeals. For, as we demonstrate at

pp. 13-18, *supra*, the decision of the lower court, if permitted to become final, will do great unjustified damage to established trade-mark rights.

CONCLUSION

For the foregoing reasons, a writ of certiorari should be granted and the judgment of the court of appeals should be reversed.

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